	STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING									
APPLIC	CATION FOR P	PERMIT TO DRILL				1. WELL NAME and NUMBER Clay Basin Unit 70				
2. TYPE OF WORK DRILL NEW WELL (3. FIELD OR WILDCAT CLAY BASIN								
4. TYPE OF WELL Gas We	REENTER P&A	d Methane Well: NO	I WELL (5. UNIT or COMMU	NITIZATION AGREE	MENT NAME		
6. NAME OF OPERATOR	WEXPRO COL					7. OPERATOR PHO				
8. ADDRESS OF OPERATOR	Box 458, Rock Sp					9. OPERATOR E-MA		m		
10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE)		11. MINERAL OWNER	_		_	12. SURFACE OWN	ERSHIP			
SL-045051-B 13. NAME OF SURFACE OWNER (if box 12		FEDERAL (INDIA	AN 🗍 STATE (_) F	EE (III)		DIAN (STATE (~ ~		
•										
15. ADDRESS OF SURFACE OWNER (if box	: 12 = 'fee')					16. SURFACE OWN	ER E-MAIL (if box 1	.2 = 'fee')		
17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN')	-	18. INTEND TO COMM MULTIPLE FORMATIO	ONS			19. SLANT				
		YES () (Submit Cor	mmingling Applicat	ion) N	10 📵	VERTICAL DI	RECTIONAL (HO	ORIZONTAL ()		
20. LOCATION OF WELL	FOO	TAGES	QTR-QTR	SE	CTION	TOWNSHIP	RANGE	MERIDIAN		
LOCATION AT SURFACE	1051 FS	L 916 FEL	SESE		15	3.0 N	24.0 E	S		
Top of Uppermost Producing Zone	1051 FS	L 916 FEL	SESE		15	3.0 N	24.0 E	S		
At Total Depth	1051 FS	L 916 FEL	SESE		15	3.0 N	24.0 E	S		
21. COUNTY DAGGETT	[:	22. DISTANCE TO NEA	AREST LEASE LIN 1051	E (Feet	t)	23. NUMBER OF ACRES IN DRILLING UNIT 1915				
		25. DISTANCE TO NEA (Applied For Drilling o		AME PO	OOL	26. PROPOSED DEPTH MD: 5902 TVD: 5902				
27. ELEVATION - GROUND LEVEL		28. BOND NUMBER	2200			29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE				
6767							Daggett County			
		АТТ	TACHMENTS							
VERIFY THE FOLLOWING	ARE ATTACHE	D IN ACCORCANCE	E WITH THE UT	Γ ΑΗ Ο Ι	IL AND G	AS CONSERVATI	ON GENERAL RU	LES		
₩ WELL PLAT OR MAP PREPARED BY	LICENSED SURV	EYOR OR ENGINEER	№ сом	PLETE	DRILLING	PLAN				
AFFIDAVIT OF STATUS OF SURFACE	CE) FORM	4 5. IF	OPERATOI	R IS OTHER THAN T	HE LEASE OWNER					
DIRECTIONAL SURVEY PLAN (IF DI	№ торо	✓ TOPOGRAPHICAL MAP								
NAME Paul Jibson		TITLE Permit Agent	:		PHONE 3	07 922-5647				
SIGNATURE		DATE 05/04/2010			EMAIL Pa	ul.Jibson@Questar.co	m			
API NUMBER ASSIGNED 43009500020000 APPROVAL				W						

Permit Manager

	Proposed Hole, Casing, and Cement					
String	Hole Size	Casing Size	Top (MD)	Bottom (MD)		
Prod	6.125	4.5	0	5902		
Pipe	Grade	Length	Weight			
	Grade P-110 LT&C	5402	13.5			

	Proposed Hole, Casing, and Cement					
String	Hole Size	Casing Size	Top (MD)	Bottom (MD)		
Surf	8.75	7	0	500		
Pipe	Grade	Length	Weight			
	Grade J-55 LT&C	500	20.0			



Wexpro Company

180 East 100 South

P.O. Box 45601

Salt Lake City, UT 84145-0601

Tel 801 324 2600 · Fax 801 324 2637

March 31, 2010

Ms. Diane Mason State of Utah Division of Oil, Gas and Mining 1594 West North Temple, Suite 1210 Salt Lake City, UT 84114-5801

Re:

Request for Exception Location: Clay Basin Unit, Well #70

SURFACE: 1051' FSL, 916' FEL, SE1/4SE1/4, Sec. 15, T3N, R24E, SLB&M

BOTTOM HOLE: SAME Lease No. SL-045051-B

Dear Ms. Mason:

In accordance with R649-3-3, Wexpro Company ("Wexpro") respectfully requests administrative approval for an exception location for the Clay Basin Unit, Well #70. As reflected on the plats included with the filed Application for Permit to Drill ("APD"), the captioned well is to be drilled from a surface location in the SE¼SE¼ of Section 15 to a proposed bottom hole location of 1051' FSL and 916' FEL in the SE¼SE¼ of Section 15. All of Section 15 is committed to the Clay Basin Unit which is a Federal Exploratory Unit with Wexpro currently serving as the Unit Operator for the Unit.

Ownership within 460' of the entire length of the proposed wellbore is owned 100% by Wexpro, thereby not requiring the approval of other parties for our intended operation.

We respectfully request the Division of Oil, Gas and Mining approve the APD as described in this letter. Should you have any questions, please call me at 801-324-5938.

Sincerely,

By:

Wexpro Company

Jonathan M. Duke

Coordinator: Contracts and Land

cc:

Bureau of Land Management

Paul Jibson - Wexpro Company

Frank Nielsen – Questar Exploration and Production Company

Surface Use and Operations Wexpro Company Clay Basin Unit Well No. 70 Daggett County, Utah

1. Existing Road:

- A. <u>Proposed Well Site as Staked</u>: Refer to well location plat and area map.
- B. <u>Proposed Access Route</u>: Refer to general area map. All access roads are within the Clay Basin unit boundaries.
- C. <u>Plans for Improvement and/or Maintenance</u>: All existing roads will be utilized. Please refer to TOPO B.

2. Planned Access Roads:

- A. Approximately 1,316' of new access road will need to be constructed. The access road will necessitate a 30-foot wide right-of- way (maximum disturbance). Please refer to TOPO B.
- B. Maximum grade: Will not exceed 10 percent.
- C. Turnouts: Water turnouts will be constructed as required to divert runoff water from the road ditch in such a manner as to not cause erosion.
- D. Location (centerline): Access road has been staked and flagged. Surface disturbance and vehicular travel will be limited to the approved access route, additional area needed will be approved in advance.
- E. One 18" CMP is required where the access road enters the location. Noted on TOPO B.
- F. Surface materials: Surface materials will be obtained from cuts along the access road and location. Spot surfacing may be required to maintain the running surface. In the event that conditions should necessitate graveling, of all or part of the access road and location.
- G. Topsoil (approximately 6-inches) removed in conjunction with road construction will be spread in the borrow ditches or windrowed to the side. Borrow areas will be seeded as discussed in reclamation procedures.

- 3. <u>Location of Existing Wells</u>: Refer to area map for the location of existing wells within a one-mile radius (TOPO C).
- 4. <u>Location of Existing and/or Proposed Facilities</u>: Refer to area maps. Facilities will be installed as detailed on the attached diagram.

Electronic Flow Measurement, with isolating flow conditioners, will be installed to measure the gas production associated with this well.

All permanent (onsite for six months or longer) structures constructed or installed will be painted Covert Green, a flat, non-reflective, earth tone color to match the standard environmental colors, as determined by the Rocky Mountain Five State Interagency Committee. All facilities will be painted within six months of installation. Facilities are required to comply with Occupational Safety and Health Act will be excluded.

If a tank battery is constructed on this lease, it will be surrounded by a dike of sufficient capacity to contain 110% of the largest storage tank.

All loading lines will be placed inside the berm surrounding the tank battery.

Emissions control equipment, when required by published – UDAQ regulations, will be identified, permitted and installed through the UDAQ.

All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to.

All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from Authorized Officer.

Pipeline

The proposed pipeline will be constructed and operated by Questar Gas Management Company. The proposed pipeline will be approximately 2,776' in length. The proposed surface pipeline will be 3.5" O.D., Grade B or X-42 with a 0.188-inch wall thickness. The width of the right-of-way requested is 50 feet for construction and will revert to 30 feet for operation and maintenance purposes. The surface pipeline will be natural in color and the buried pipeline will be wrapped.

The maximum operating pressure that the natural gas pipeline is designed for is 1170 psig. Associated facilities include above ground valves and piping at the lateral junctions.

- 5. <u>Location and Type of Water Supply</u>: Water will be hauled by tank trucks from the town of Rock Springs WY, Dutch John UT, or from Red Creek (Temporary Application Number 41-3640, T78128). Water may also come from additional locations as per approval from Daggett County.
- 6. <u>Source of Construction Materials</u>: All materials will be derived from cuts at the location and along the access road. Construction material will be located on lease.
- 7. Methods for Handling Water Disposal: Cuttings and drilling fluids will be placed in a lined mud pit which will be constructed with at least one half of its holding capacity below ground level. The mud pit will be fenced on three sides with a sheep-tight fence of woven wire prior to the onset of drilling. Immediately upon completion of drilling, the fourth side will be fenced and the liquids allowed to evaporate or free water will be transferred to other reserve pits, within the unit for drilling purposes. The fence will be maintained until restoration. Any produced liquids will be contained in test tanks and hauled out by tank trucks. Garbage and other waste materials will be placed in a trash cage, the contents of which will be disposed of in the nearest legal landfill. Portable sewage facilities will be utilized for the disposal of human waste.

Produced waste water will be confined to a water tank/blow down tank.

The reserve pit will be lined with a 16 mil or thicker plastic nylon reinforced liner. If rock is encountered felt or straw may be used to prevent puncturing, ripping or tearing of the liner.

- 8. <u>Ancillary Facilities</u>: Camp facilities will not be required.
- 9. Wellsite Layout: Refer to drawing

Diversion ditches and erosion control devices are one example of structural best management practices (BMP) used for erosion and sediment control. Diversion ditches will be constructed to direct run off away from unprotected slopes and to direct sediment laden runoff to a sediment trapping structure.

Typically, perimeter storm water controls are installed during clearing and grading of the well pad or immediately after construction. A third party or company representative will then select and install additional best management practice (BMP) storm water controls. BMP's will be evaluated and modified, if necessary, following reclamation. Please refer to the most recent Storm Water Pollution Prevention Plan, submitted under separate cover for the Clay Basin Unit for specific BMP's.

10. Plans for Restoration of the Surface:

During construction, all woody vegetation and the top six inches of topsoil material will be removed from the pad and stockpiled separately. All pits will remain fenced until cleanup begins. Overhead flagging will be installed if oil is in the mud pit.

Immediately upon completion of drilling, the location and surrounding area will be cleared of all debris, trash and materials not required for production. The reserve pit and that portion of the location and access road not needed for production or production facilities will be reclaimed.

The reserve pit will be backfilled as soon as possible, within one year after drilling and completion as per the Wyoming Oil & Gas Commission regulations. If the pit is not dry the water will be mechanically evaporated or hauled to an approved disposal pit, and interim reclamation will take place.

The portion of the access road not needed for production access will be reclaimed in conjunction with the well pad. During construction topsoil is stripped and moved to the exterior of the 30' right of way. Any disturbance outside of the borrow ditch will have topsoil spread across the area for reclamation. Road base will be pulled up from the 30' right-of-way below topsoil and used to build up and crown the road. Gravel will be hauled in by contractor for additional road base if needed. The topsoil will be spread over the backside of the borrow ditch and seed will be distributed from the back side of the borrow ditch (bottom of ditch) to the end of the right-of-way where disturbance has occurred. The reclaimed area of the access road will be reseeded with the same seed mixture as the well pad, listed below.

Interim reclamation will consist of all unused portions of the location, up to the "dead men" being re-contoured to blend with the surrounding terrain, the location ripped, top soil spread and all areas of disturbance, not required for operation or fire control, will be reseeded with the seed mixture below.

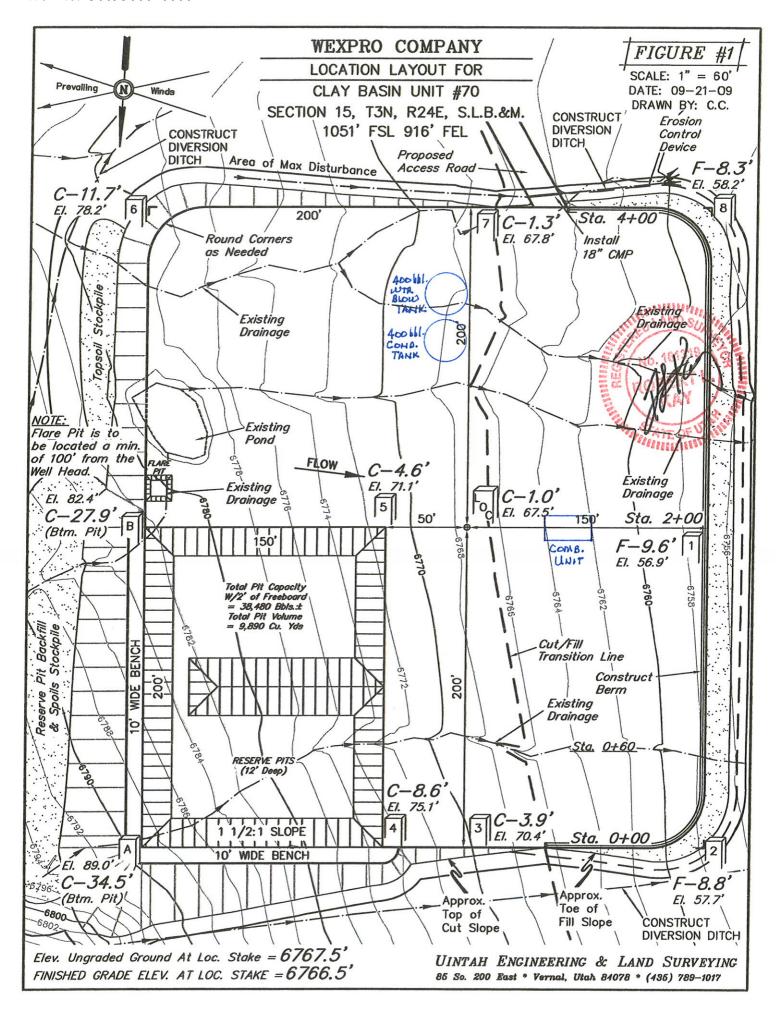
SPECIES	lbs. PLS/acre
Siberian Wheatgrass	3 lbs PLS/acre
Indian Ricegrass	1 lbs PLS/acre
Crested Wheatgrass	3 lbs PLS/acre
Thickspike Wheatgrass	3 lbs PLS/acre
Intermediate Wheatgrass	3 lbs PLS/acre
Alfalfa	1 lbs PLS/acre
Forage Kochia	1/2 lbs PLS/acre
Wyoming Big Sage	1/2 lbs PLS/acre
TOTAL	15 lbs PLS/acre

The Wyoming Big Sage Brush will be broadcast after the drill seeding of all other species. Where drilling is not possible a broadcast/rake method will be used doubling the seed mixture.

- 11. <u>Surface and Mineral Ownership</u>: Surface ownership along the access road is BLM, Section 15 and Section 22. Surface ownership at the well site is BLM, Section 15. Minerals are also Federal.
- 12. Other Information: Anna Figueroa of the Bureau of Land Management, Vernal Field Office in Vernal, Utah along with the Division of Wildlife Resources will be notified at least 48-hours prior to commencement of both construction and reclamation operations.

A Class III Cultural Resource Inventory has been completed and the report forwarded to the Bureau of Land Management.

No chemicals subject to reporting under SARA Title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.



Lessee's or Operators Representative and Certification:

G. T. Nimmo, Operations Manager, P. O. Box 458, Rock Springs, Wyoming 82902, Telephone number (307) 922-5612.

Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions which currently exist, that the statements made in the plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Wexpro Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Please be advised that Wexpro Company is considered to be the operator of Clay Basin Unit Well No. 70; SE ¼, SE ¼, Section 15, Township 3N, Range 24E; Lease= Federal, Daggett County; and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage is provided by BLM Bond ESB000024, Nationwide Bond No. 965002976

Date:	031010	Name A. Numo
		G. T. Nimmo, Operations Manager

Drilling Plan Wexpro Company Clay Basin Unit Well No. 70 Daggett County, Utah

1. SURFACE FORMATION, ESTIMATED TOPS AND WATER, OIL, GAS OR MINERAL BEARING FORMATIONS:

Formation	Depth (TVD)	Remarks
Mancos	Surface	Gas, Secondary Objective
Frontier	5,673'	Gas, Major Objective
F 524	5,687'	Gas, Major Objective
F 527	5,740'	Gas, Major Objective
Mowry	5,852'	
Total Depth	5,902'	

All fresh water and prospectively valuable minerals encountered during drilling will be recorded by depth and adequately protected.

2. PRESSURE CONTROL EQUIPMENT: (See attached diagram) Operator's minimum specifications for pressure control equipment require an 11-inch 3000 psi double gate hydraulically operated blowout preventer and an 11-inch 3000 psi annular preventer. BOP equipment will be tested to its rated working pressure. The annular preventer will be tested at 50% of its rated working pressure.

NOTE: The surface casing will be pressure tested to a minimum of 1500 psi. BOP's will be checked daily as to mechanical operating condition and will be tested by an independent pressure testing company after each string of casing is run; when initially installed; whenever any seals subject to test is broken; following related repairs; and at 30 day intervals. All ram type preventers will have hand wheels which will be operative and accessible at the time the preventers are installed.

AUXILIARY EQUIPMENT:

- a. Manually operated kelly cock
- b. No floats at bit
- c. Monitoring of mud system will be with PVT system
- d. Full opening floor valves in the full open position, capable of fitting all drill stem connections manually operated
- e. Formation integrity test will be done 20' below surface casing shoe to 11.0 ppg

2. CASING PROGRAM:

Hole Size	Size	Тор	Bottom	Weight	Grade	Thread	Condition
26"	16"	sfc	60'				Steel Conductor
8-3/4"	7"	sfc	500°	20#	J-55	LTC	New
6-1/8"	4-1/2"	sfc	5,902' TVD	13.5#	P-110	LTC	New

Casing	Casing Strengths:				Burst	Tensile (minimum)
7"	20 lb.	J-55	STC	2,270 psi	3,740 psi	257,000 lb.
4-1/2"	13.5 lb.	P-110	LTC	10,680 psi	12,410 psi	338,000 lb

(See attached casing design sheet)

Wexpro requests a variance from 43 CFR 3160 Onshore Oil and Gas Order #2, Section III requirements, subsection E - Special Drilling Operations for the specific operation of drill and setting surface casing with a truck mounted air rig.

The variance to Onshore #2 is requested because surface casing depth for this well is 500' and high pressure is not expected.

<u>A properly lubricated and maintained rotating head</u>: A diverter bowl will be utilized in place of a rotating head. The diverter bowl will force the air and cutting returns to the reserve pit as it is used to drill the surface casing.

Blooie line discharge will be 100 feet from the well bore and securely anchored: The blooie line discharge for this operation will be located 50 to 70 feet from the wellhead.

<u>Automatic ignitor or continuous pilot light on the blooie line:</u> A diffuser will be used rather than an automatic pilot/ignitor. Water is injected into the compressed air and eliminates the need for the pilot light and the need for dust suppression equipment.

Compressor located in the direction from the blooie line is a minimum of 100' from the well bore: Truck mounted air compressors will be located within 50 feet on the opposite side of the wellhead from the blooie line and equipped with a (1) emergency kill switch on the driller's console, (2) pressure relief valve on the compressor and (3) spark arrestors on the motors.

3. CEMENTING PROGRAMS:

16" Conductor: Cement to surface with construction cement.

7" Surface Casing: sfc - 500' (TVD) (8-3/4" Hole)

0-500' - 139 sacks (160 cu ft) Class "G" + 2% $CaCl_2$ + 1/4 % Cello Flake. Slurry wt: 15.2 ppg, Slurry yield: 1.15 cu. Ft./sack, Slurry volume: 45' of 7'', 20 lb/ft Casing (10 cu. ft), 500' of 8-3/4'' x 7'' annulus (75 cu. ft.), 100% excess (75 cu. ft.), Total 160 cu. ft.

Centralizers: 6 Bow Spring Centralizers; two on the shoe joint, on next 5 collar. One centralizer in Surface Casing at 100'.

4-1/2" Production Casing: 500' - 5,902' (TVD) (6-1/8" Hole)

Tail: 500' – 5,902' – 467 sacks (700.8 cu. ft.) of 35/65 Poz-G with reducer, fluid loss additive and retarder. Slurry wt: 14.2 ppg, Slurry yield: 1.5 cu. ft. per sack.

4. MUD PROGRAM:

1. Surface to 500 feet

Surface hole will be drilled and cased with Rat-Hole rig.

2. 500 to Total Depth

Drill out of surface casing 10' and test formation to 10.0 ppg mud equivalent.

Circulate water through reserve pit.

Run gel and polymer sweeps as necessary.

Drill from 500' to 4,500' with 35 vis mud.

Mud weight of 9.0-10.0 ppg may be required to drill from the Frontier to TD (5,902' TVD), so mud up should be accomplished at 4,500' TVD. Water loss should be low to protect the water sensitive sand section.

Example Properties:

 Mud Weight
 9.0 - 10.0

 Viscosity
 35 - 45

 Water Loss
 <7</td>

LCM As Needed

Filter Cake 1/32 PH 10

Gel Strengths Minimum

This mud should be maintained to total depth.

Sufficient mud materials to maintain mud properties, control lost circulation and to contain blowout will be available at the wellsite.

No chrome constituent additives will be used in the mud system on Federal, State and Indian lands without prior BLM/State approval to ensure adequate protection of fresh water aguifers.

'APIWellNo:43009500020000'

5. LOGGING: DIL-SFL-GR: - Total Depth to surface casing

MICRO-LOG:

BHC- Sonic with Caliper

- Total Depth to surface casing

FDC-CNL-GR-PE w/ Caliper:- Total Depth to surface casing

Formation tester: Interval to be selected from open hole logs.

TESTING: None

CORING: None

- 6. ABNORMAL PRESSURE AND TEMPERATURE: No abnormal pressures are anticipated, a BHP of 2000 PSI is anticipated. A BHT of 105 degrees F is anticipated.
- 7. ANTICIPATED STARTING DATE: Upon APD approval

DURATION OF OPERATION: 25 days

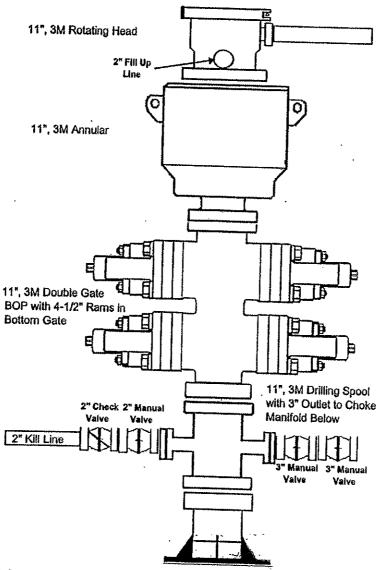
CLAY BASIN UNIT WELL NO. 70

SURFAC	E CASING								
	CASING: ANNULUS: EXCESS: CEMENT YIELD: TOTAL DEPTH TOP OF TAIL		8-3/4	SS "G"	ge Hole)		0.2232 cu.ft./ 0.1503 cu.ft./ 100% 1.15 cu.ft/s 1.15 cu.ft/s 500 Feet Feet	lin.ft sack	15.8 ppg
LEAD SLURR	TOP OF LEAD					CU.FT	0 Feet	(Surfac	ce)
	ANN ANN EXCESS	0	то	0	0.1503 100%	0.00			
						0.00		0 SACKS	0 CU.FT.
TAIL SLURR	Υ					CU.FT			
	CSG ANN ANN EXCESS	500 500	TO TO	455	0.2232 0.1503 100%	10.044 75.15 75.15 160.34 DISPLACE		9 SACKS 1 BBLS	160 CU.FT.

	CASING: ANNULUS:			2", 13.5# 3" (From		ole Logs)		cu.ft./lin.ft cu.ft./lin.ft		
	EXCESS: CEMENT YIELD:				LEAD		10% 2.41	cu.ft/sack - 11.6	PPG	
	TOTAL DEPTH TOP OF TAIL TOP OF LEAD		OPF	N HOLE	TAIL		5,902	cu.ft/sack - 14.2 Feet Feet	PPG	
				FACE C			SURFACE	Feet		
EAD SLURE	KY					CU.FT				
	ANN	500	ТО	500	0.1173	0.00				
		500	TO	500	0	0.00				
	ANN EXCESS				10%	0.00				
						0.00		0 SACKS	(CU.F
AIL SLURR	Υ					CU.FT				-
	CSG	,	TO	5,857	0.0838	3.771				
	ANN	5,902	TO	500	0.1173	633.65				
	ANN EXCESS				10%	63.37		407 040:50	700	0.011-
						700.79 DISPLAC		467 SACKS 87.4 BBLS	700.	8 CU.F

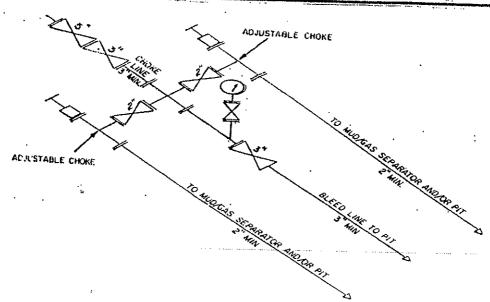
QUESTAR WEXPRO 3,000 psi BOP

Minimum Requirements



3M CHOKE MANIFOLD EQUIPMENT - CONFIGURATION MAY VARY

46812 Federal Register / Vol. 53, No. 223 / Friday, November 18, 1988 / Rules and Regulations



WEXPRO COMPANY

CLAY BASIN UNIT #70 LOCATED IN DAGGETT COUNTY, UTAH

SECTION 15, T3N, R24E, S.L.B.&M.



PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: WESTERLY

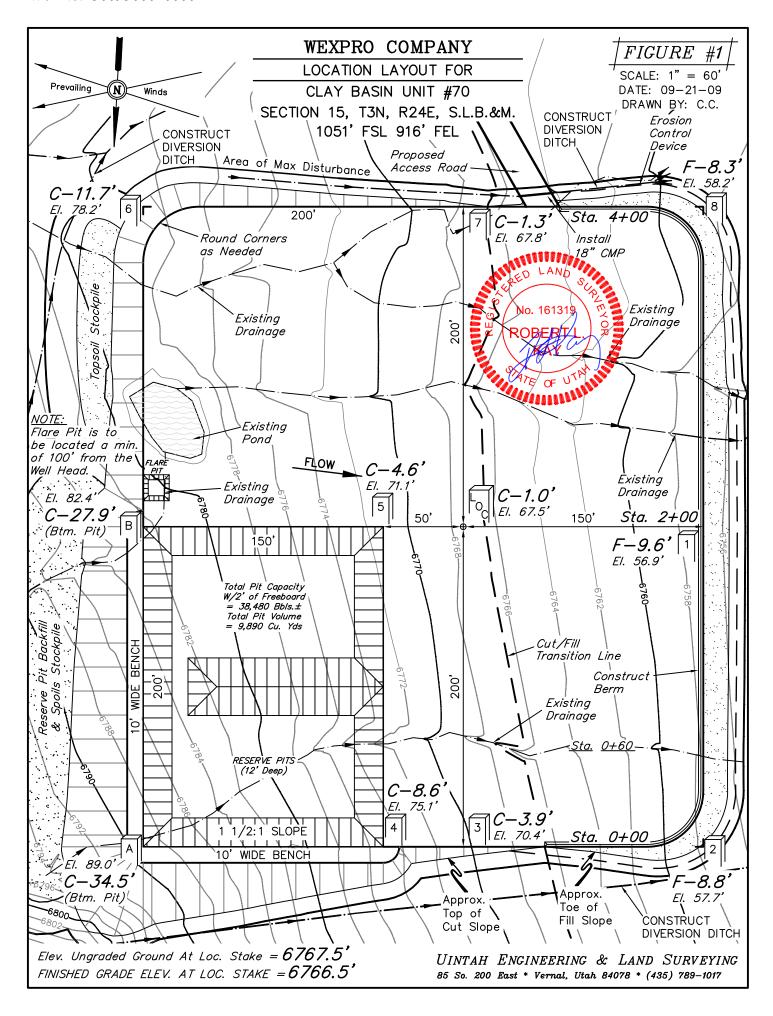


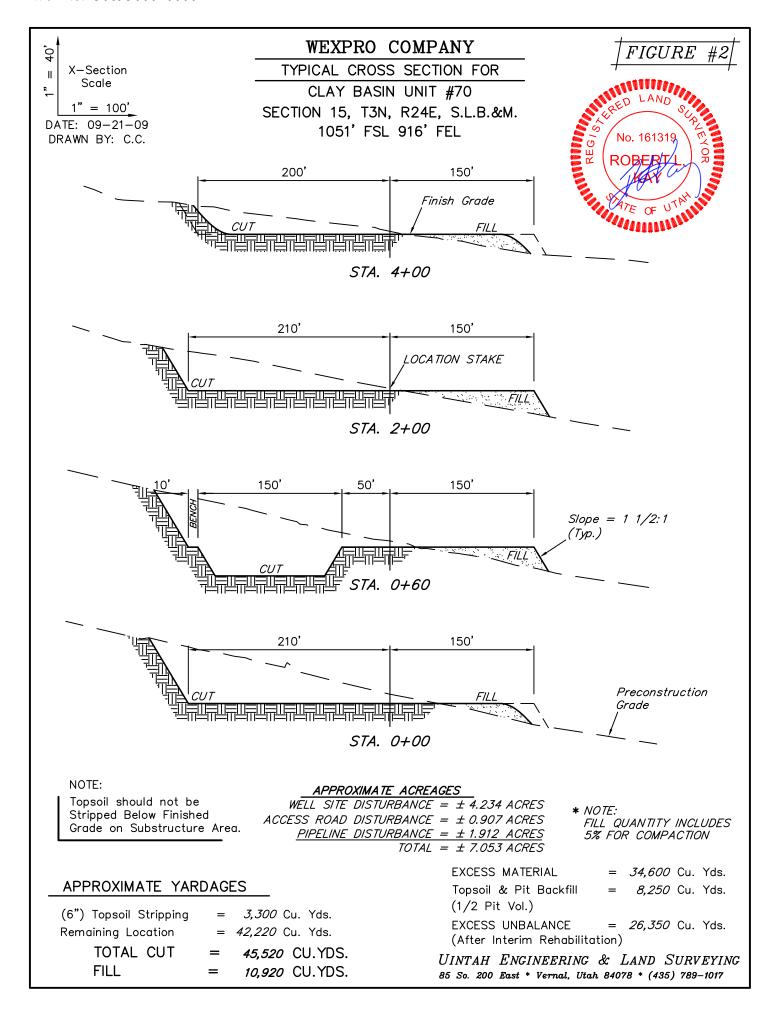
PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

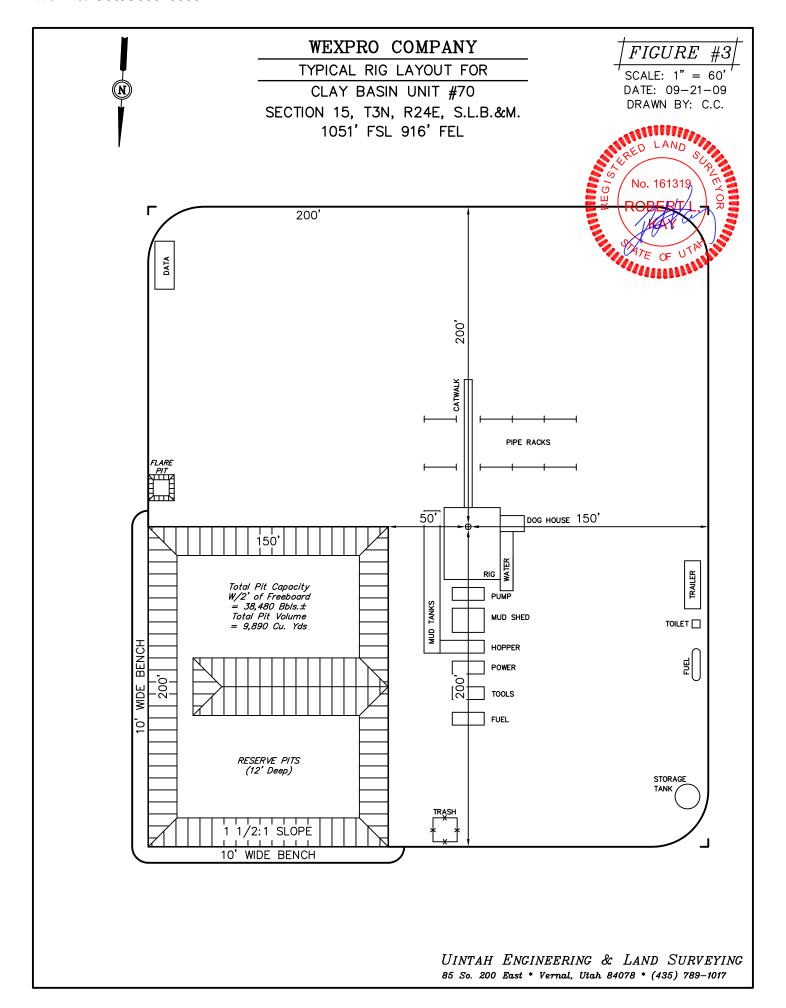
CAMERA ANGLE: NORTHERLY

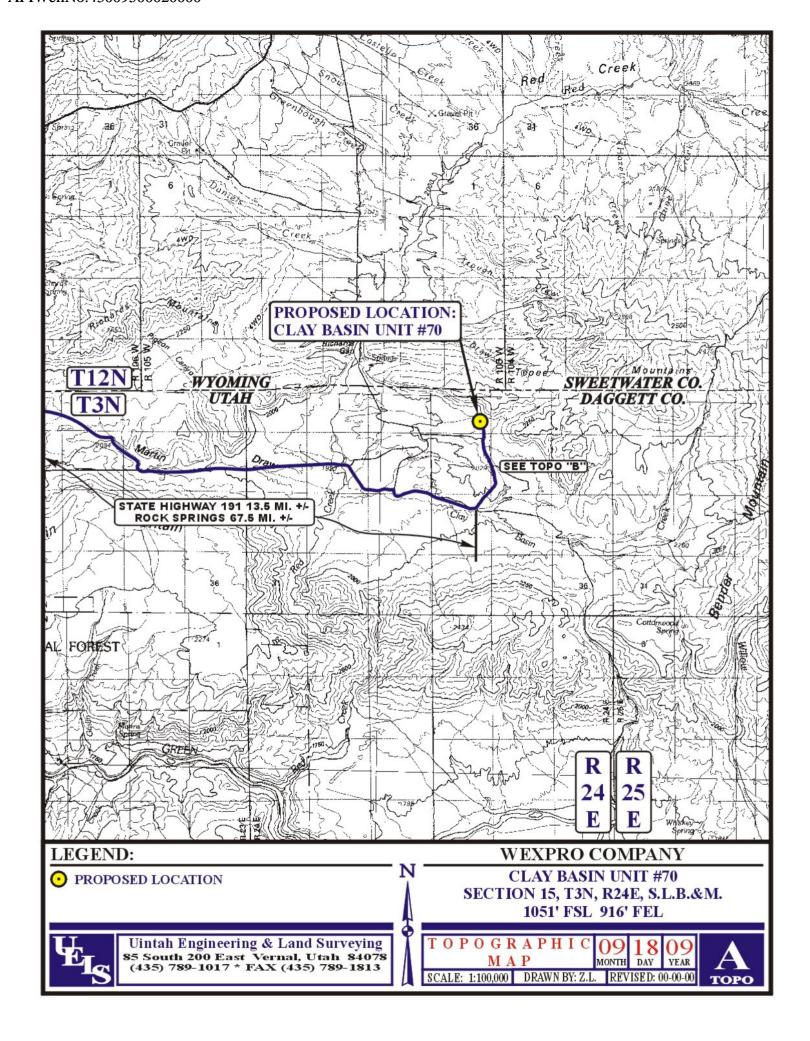


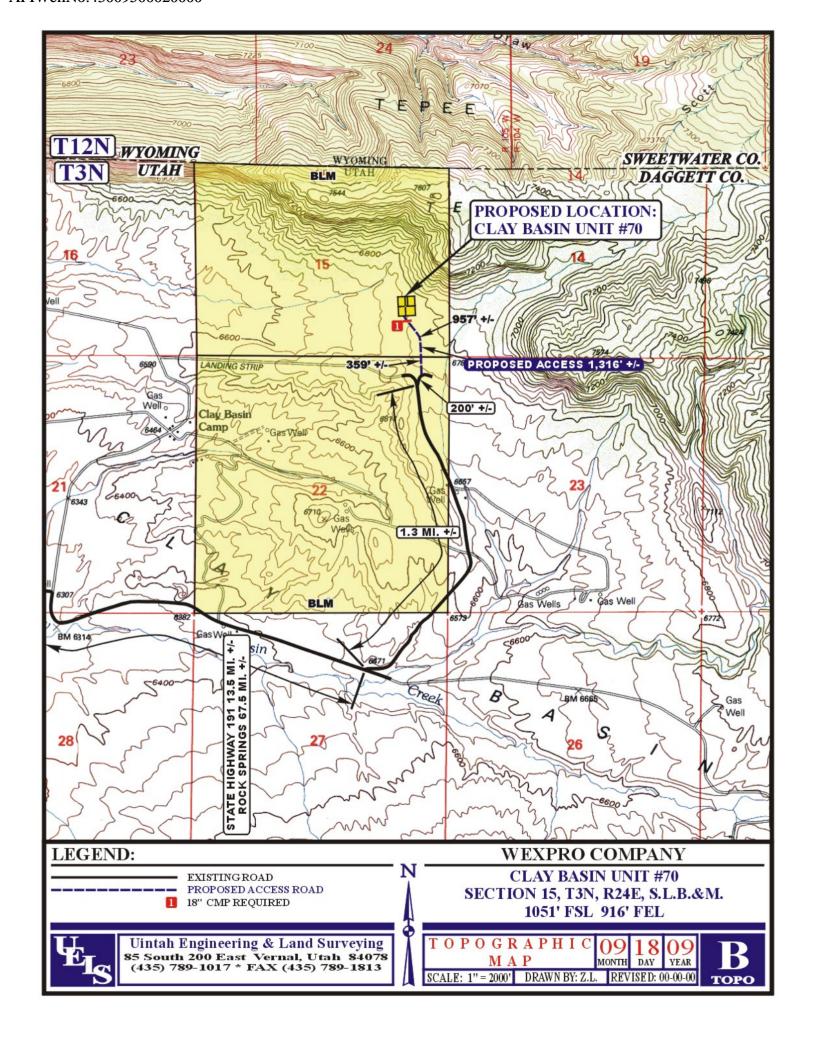
LOCATION	PHOTOS	09 MONTH	18 DAY	09 YEAR	рното
TAKEN BY: D.K.	DRAWN BY: Z.L	. REV	ISED: 0	0-00-00	

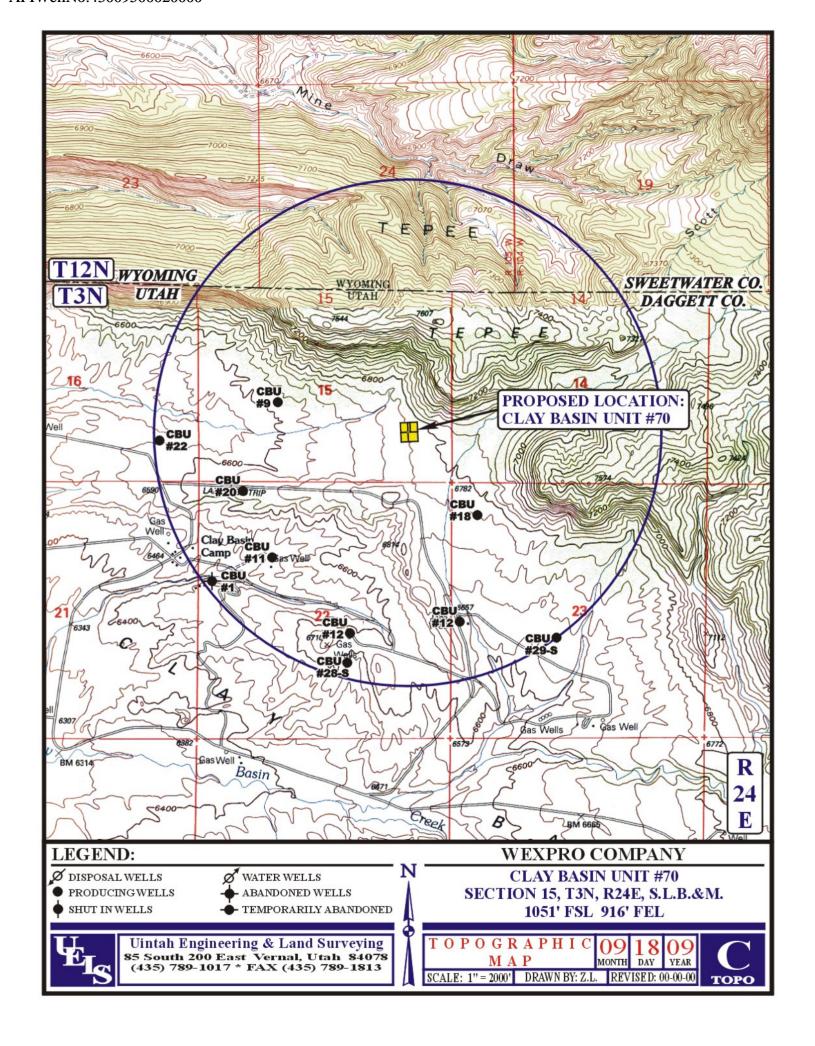


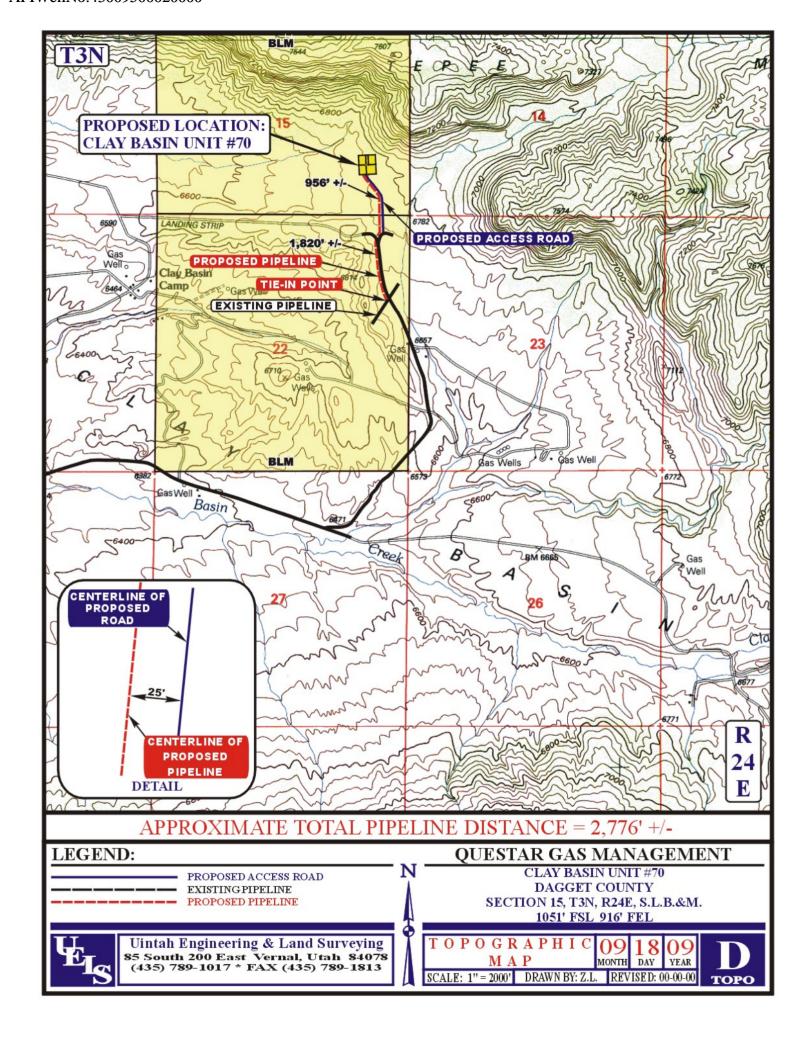


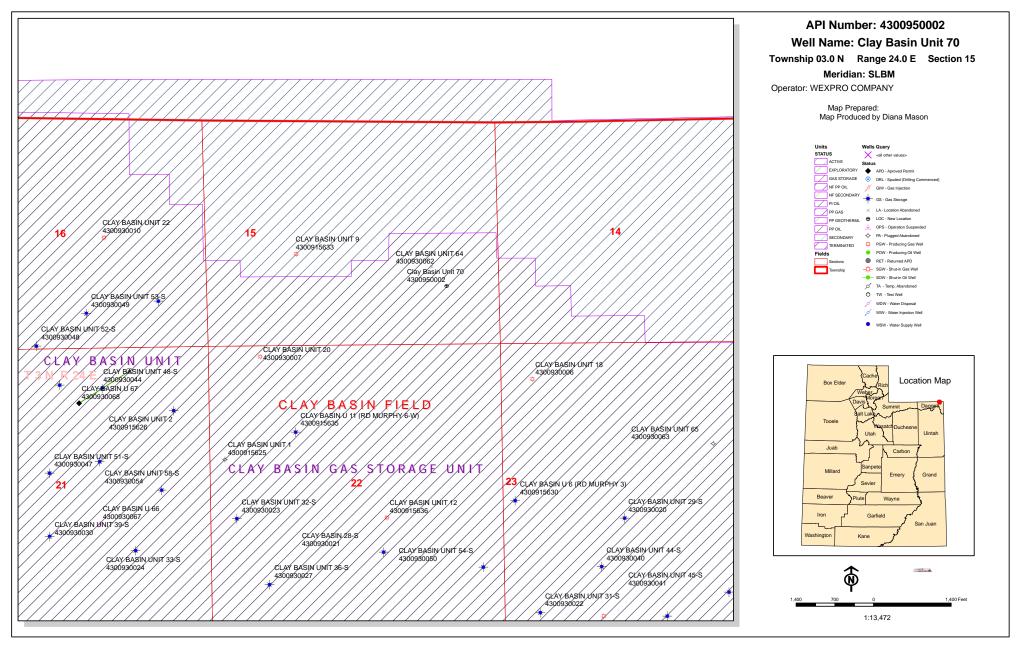














Wexpro Company

180 East 100 South

P.O. Box 45601

Salt Lake City, UT 84145-0601

Tel 801 324 2600 · Fax 801 324 2637

附3/12/10

OK for approval mic

LC 3-11-201

Approved Effective

Roger L. Bankert

Chief, Branch of Minerals Bureau of Land Management

February 26, 2010

Bureau of Land Management Branch of Fluid Minerals 440 West 200 South, Suite 500 Salt Lake City, Utah 84111-2303

Plan of Development for 2010
Clay Basin Unit
Daggett County, Utah and
Sweetwater County, Wyoming

Gentlemen:

Pursuant to the provisions of Section 6 of the Clay Basin Unit Agreement, Wexpro Company (Wexpro) submits for your review the following Plan of Development for 2010.

Plan of Development - 2010

Wexpro plans the following activities within the Clay Basin Unit during 2010. If our plans change during the year, a supplemental plan will be submitted.

Drilling:

Clay Basin Unit #69

SENW: 21-T3N-R24E

Frontier

Clay Basin Unit #70

SESE: 15-T3N-R24E

Frontier

Annual Review - 2009

There were no drilling or recompletion projects during the year, resulting in no changes being made to the unit map. The map that was submitted with our 2009 Plan of Development will continue to serve as your reference.

Bureau of Land Management Clay Basin Unit February 26, 2010 Page: 2

References

For your reference, the following information is attached:

- 1. Well Status Showing the status of all wells in the unit
- 2. Production Plots

We respectfully request your approval of our proposed Plan of Development for 2010.

Sincerely,

WEXPRO COMPANY

Jonathan M. Duke

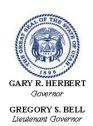
Coordinator, Contracts & Land

Attachments

cc: Utah Division of State Lands (2)
Wyoming Oil and Gas Conservation Commission (2)
Wyoming State Land Office (1)

WORKSHEET APPLICATION FOR PERMIT TO DRILL

APD RECEIVED:	4/1/2010	API NO. ASSIGNED: 43009500020000
WELL NAME:	Clay Basin Unit 70	
OPERATOR:	WEXPRO COMPANY (N10	70) PHONE NUMBER: 307 922-5647
CONTACT:	Paul Jibson	
PROPOSED LOCATION:	SESE 15 030N 240E	Permit Tech Review:
SURFACE:	1051 FSL 0916 FEL	Engineering Review:
воттом:	1051 FSL 0916 FEL	Geology Review: 🗾
COUNTY:	DAGGETT	
LATITUDE:	40.99287	LONGITUDE: -109.18605
UTM SURF EASTINGS:	652580.00	NORTHINGS: 4539338.00
FIELD NAME:	CLAY BASIN	
LEASE TYPE:	1 - Federal	
LEASE NUMBER:	SL-045051-B PR	ROPOSED PRODUCING FORMATION(S): FRONTIER
SURFACE OWNER:	1 - Federal	COALBED METHANE: NO
RECEIVED AND/OR REVIEWE	ED:	LOCATION AND SITING:
⊭ PLAT		R649-2-3.
▶ Bond: FEDERAL - ESB0000)25	Unit: CLAY BASIN
Potash		R649-3-2. General
Oil Shale 190-5		
Oil Shale 190-3		№ R649-3-3. Exception
Oil Shale 190-13		✓ Drilling Unit
✓ Water Permit: Daggett Co	ounty	Board Cause No: R649-3-3
RDCC Review:		Effective Date:
Fee Surface Agreement		Siting:
Intent to Commingle		R649-3-11. Directional Drill
Commingling Approved		
Comments: Presite Comp	pleted	
	on Location - bhill Approval - dmason g - dmason	



State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Permit To Drill

Well Name: Clay Basin Unit 70
API Well Number: 43009500020000
Lease Number: SL-045051-B
Surface Owner: FEDERAL

Approval Date: 5/4/2010

Issued to:

WEXPRO COMPANY, P.O. Box 458, Rock Springs, WY 82902

Authority:

Pursuant to Utah Code Ann. §40-6-1 et seq., and Utah Administrative Code R649-3-1 et seq., the Utah Division of Oil, Gas and Mining issues conditions of approval, and permit to drill the listed well. This permit is issued in accordance with the requirements of R649-3-3. The expected producing formation or pool is the FRONTIER Formation(s), completion into any other zones will require filing a Sundry Notice (Form 9). Completion and commingling of more than one pool will require approval in accordance with R649-3-22.

Duration:

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date

Exception Location:

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

General:

Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

Conditions of Approval:

State approval of this well does not supercede the required federal approval, which must be obtained prior to drilling.

This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

Notification Requirements:

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during

API Well No: 43009500020000

drilling of this well:

• Within 24 hours following the spudding of the well – contact Carol Daniels at 801-538-5284 (please leave a voicemail message if not available)

submit an electronic sundry notice (pre-registration required) via the Utah Oil & Gas website at https://oilgas.ogm.utah.gov

Reporting Requirements:

All reports, forms and submittals as required by the Utah Oil and Gas Conservation General Rules will be promptly filed with the Division of Oil, Gas and Mining, including but not limited to:

- Entity Action Form (Form 6) due within 5 days of spudding the well
- Monthly Status Report (Form 9) due by 5th day of the following calendar month
- Requests to Change Plans (Form 9) due prior to implementation
- Written Notice of Emergency Changes (Form 9) due within 5 days
- Notice of Operations Suspension or Resumption (Form 9) due prior to implementation
- Report of Water Encountered (Form 7) due within 30 days after completion
- Well Completion Report (Form 8) due within 30 days after completion or plugging

Approved By:

Gil Hunt

Associate Director, Oil & Gas

Die Hut

Sundry Number: 14662 API Well Number: 43009500020000

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES					FORM 9	
DIVISION OF OIL, GAS, AND MINING					5.LEASE DESIGNATION AND SERIAL NUMBER: SL-045051-B	
SUNDRY NOTICES AND REPORTS ON WELLS				6. IF	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TORILL form for such proposals.				7.UNIT or CA AGREEMENT NAME: CLAY BASIN		
1. TYPE OF WELL Gas Well					8. WELL NAME and NUMBER: CLAY BASIN UNIT 70	
2. NAME OF OPERATOR: WEXPRO COMPANY					9. API NUMBER: 43009500020000	
3. ADDRESS OF OPERATOR: P.O. Box 458 , Rock Springs, WY, 82902 307 922-5612 Ext				9. FIELD and POOL or WILDCAT: CLAY BASIN		
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1051 FSL 0916 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SESE Section: 15 Township: 03.0N Range: 24.0E Meridian: S				DAC	NTY: GGETT	
				STATE: UTAH		
11. CHE	CK APPROPRIATE BOXES TO INDICA	TE NA	ATURE OF NOTICE, REPOR	T, OR C	THER DATA	
TYPE OF SUBMISSION	TYPE OF ACTION					
NOTICE OF INTENT Approximate date work will start: 5/4/2011	☐ ACIDIZE	A	LTER CASING		CASING REPAIR	
	☐ CHANGE TO PREVIOUS PLANS	□ c	HANGE TUBING		CHANGE WELL NAME	
	☐ CHANGE WELL STATUS	□ c	COMMINGLE PRODUCING FORMATION	ıs	CONVERT WELL TYPE	
SUBSEQUENT REPORT Date of Work Completion:	☐ DEEPEN	☐ F	RACTURE TREAT		□ NEW CONSTRUCTION	
	OPERATOR CHANGE	□р	LUG AND ABANDON		PLUG BACK	
SPUD REPORT Date of Spud:	☐ PRODUCTION START OR RESUME	□ R	RECLAMATION OF WELL SITE		RECOMPLETE DIFFERENT FORMATION	
	☐ REPERFORATE CURRENT FORMATION	□ s	IDETRACK TO REPAIR WELL		TEMPORARY ABANDON	
	☐ TUBING REPAIR	□ v	ENT OR FLARE		WATER DISPOSAL	
☐ DRILLING REPORT	☐ WATER SHUTOFF	□s	I TA STATUS EXTENSION		✓ APD EXTENSION	
Report Date:	☐ WILDCAT WELL DETERMINATION		OTHER	0	THER:	
12 DESCRIPE PROPOSED OF CO	OMPLETED OPERATIONS. Clearly show all pe					
The Clay Basin Unit	t #70 APD was originally appi Wexpro Company requests a additional one year.	rove	d on 05/04/2010 for	a in	Approved by the Utah Division of Oil, Gas and Mining	
					05/04/2011	
				Date:	-0.400	
				By:	Dischill	
					7/3	
NAME (PLEASE PRINT)	PHONE NUMBER	1	TITLE			
Paul Jibson	307 352-7561		Permit Agent			
SIGNATURE N/A			DATE 5/2/2011			

Sundry Number: 14662 API Well Number: 43009500020000



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43009500020000

API: 43009500020000 **Well Name:** CLAY BASIN UNIT 70

Location: 1051 FSL 0916 FEL QTR SESE SEC 15 TWNP 030N RNG 240E MER S

Company Permit Issued to: WEXPRO COMPANY

Date Original Permit Issued: 5/3/2010

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

• If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No
 Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No
• Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No
 Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? Yes No
• Has the approved source of water for drilling changed? Yes No
 Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No
• Is bonding still in place, which covers this proposed well? Yes No

Signature: Paul Jibson **Date:** 5/2/2011

Title: Permit Agent **Representing:** WEXPRO COMPANY



State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

July 27, 2012

Wexpro Company P.O Box 458 Rock Springs, WY 82902

Re:

APD Rescinded - Clay Basin Unit 70, Sec. 15, T.3N, R.24E,

Daggett County, Utah API No. 43-009-50002

Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on May 3, 2010. On May 4, 2011 the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective July 27, 2012.

A new APD must be filed with this office for approval <u>prior</u> to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Mason

Environmental Scientist

cc:

Well File

Bureau of Land Management, Vernal

